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Islands

Islands Programme Funding Commitments to Date

- The £25.8 million Islands Programme was launched in financial year 2021/22 and is profiled as follows:

Year	Capital (£m)	Resource (£m)
2021/22	9.5	1
2022/23	4	1
2023/24	4	1.5
2024/25	0	2
2025/26	6	3

- Since it was launched, the Islands Programme has supported 61 projects across 44 islands totalling £12,351,192.

	Award Route	Islands	Projects	Total
2021/22 Islands Infrastructure Fund	Direct Allocation	32	37	£3,901,192
2022/23 IP	Competitive Bid	31	11	£4,450,000
2023/24 IP	Competitive Bid	14	13	£4,000,000
Total		44	61	£12,352,192

- The Islands Programme has helped deliver many critical and transformational projects for island communities, some of which would never have happened without this investment. The Islands Programme has and continues to support communities and delivery of the National Islands Plan.
- A key objective of the Islands Programme is to unlock and maximise leverage of partnership, investment and cross policy funding. It works in synergy with other Scottish Government and wider partner programmes investing in our islands. It is often the last piece of the jigsaw puzzle for priority projects.
- The Islands Programme funds projects which are sometimes relatively small, but which have a huge impact on the community. Such projects would potentially not register at a regional or national scale, but which are critical local infrastructure at the heart of a community, for example the former school building in Eriskay.

Assessments of Value for Money

[Redacted]

- Given the potential significant investment of public money in individual projects, the IP application form captures a wide range of relevant information which demonstrates how the requested investment would successfully deliver the NIP Strategic Objectives (and be deliverable generally). The level of information requested ensures appropriate levels of detail are provided to show clear links to the programme's criteria (including deliverability, community involvement, and inclusivity).
- Applications to the Islands Programme are scored on the robustness and relevance of responses to the required criteria, with up to 40% of an application's total potential score allocated to clear outcomes contributing to delivering the National Islands Plan (and in turn for their communities).
- In addition to direct impacts, applicants were asked to detail how the delivery of the project would use clear Community Wealth Building principles to support inclusive growth. Responses included details of how value would be retained in the communities impacted by the project. Examples included planned asset transfers to demonstrate inclusive ownership, local procurement, local employment opportunities, repurposing existing underused or vacant assets and delivering an economic stimulus to help local social and economic recovery from the impact of Covid-19.

Application Process/Guidance

2021/22

- Reflecting on the limited time available for investment as we moved out of the Covid pandemic, the Islands Programme was delivered as the Islands Infrastructure Fund in 2021/22 via a direct allocation route. The application process has evolved since the launch of the programme in late 2021 and for the last two years has been delivered via a competitive bid route.

2022/23

- Building on experiences from the first year and feedback from stakeholders, the islands team worked with SFT on the delivery of the 2022/23 IP, identifying appropriate mechanisms to allocate and distribute funding efficiently and promptly, drawing upon existing and exemplar mechanisms across Scottish Government. Using experience and knowledge of other programmes, including the Regeneration Capital Grant Fund, the 2022/23 Islands Programme was designed to deliver a robust framework and approach to delivery. The Cabinet Secretary for Rural Affairs and Islands approved a competitive bid model to deliver the 2022/23 IP.

2023/24

- Having listened carefully to feedback from the Committee and Local Authority partners, changes were made to the application process with the overall aim of streamlining the 2023/24 process and to reduce the resource burden placed on Local Authorities. A simplified and streamlined bid model was delivered for 2023/24. This model with local authorities as lead applicants, builds partnerships across communities, the public, private and third sector, whilst delivering on the National Islands Plan, national strategy, and policy across the islands.
- Feedback from the Committee and local authority partners has been carefully considered and changes have been made to the application process and guidance.
- The 2023/24 application form was shorter and more focussed, requiring less additional or background information. The priority requirements were clearly set out in the guidance provided.
- This year, the local authorities were provided with details of the scoring and appraisal guidance used by the Investment Panel to support transparency and clarity on requirements for the focus and detail of applications.
- No ceiling was set on the number of applications. This allowed each Local Authority the flexibility to decide whether to focus on one major investment or for smaller applications across several projects.
- Delays to the overall budget process for 2023/24 impacted the 2023/24 Island Programme launch, nevertheless, it was formally launched in January 2023. Applicants were notified of the outcome of submissions in May 2023, two months earlier than 2022/23.

Greater Representation of Island Communities on Investment Panel

- Local authority partners expressed to Committee some concerns about a perceived lack of island representation on the Investment Panel. The Cabinet Secretary committed to review the membership of the Panel and to consider additional non conflicted island-based participants with relevant infrastructure and policy focus and experience of panel assessments.
- Finding the correct balance between ensuring the Panel includes those with lived experience of islands with no conflict of interest is not easy. Islands officials worked closely with the SFT, local authority officers through the Senior Officers' Group to identify five new island-focussed members of the Investment Panel including representation from personnel in a senior non-conflicted local authority role from the Islands Growth Deal, the Young Islanders Network and experienced individuals living in Islands.

Guidance

- The Islands Programme resource line funds SFT to provide support and advice on the Islands Programme to Local Authorities on an 'open door' approach. SFT's support has evolved over the years to meet the applicants' and Scottish Government's needs. SFT were available for informal conversations, advice, testing, and support leading up to the application deadline, which enabled Local Authorities to confirm their priorities for submission with clarity.
- Clear guidance for participation, application materials and FAQs have been produced and provided to potential applicants to support the operations of the programme.
- SFT and the Islands Team were, and continue to be, available to support Local Authorities to identify challenges prior to grant acceptance and at the delivery stages and how these challenges might be mitigated. SFT and officials work together to provide a positive helping hand when projects meet challenges in order to reach successful conclusions.
- A detailed scoring guide prepared for the Investment Panel was also provided to applicants in 2023/24 and this was welcomed by council officials. Officials used this as a basis for evaluating the merits of our initial applications to the Islands Programme in 2023/24.
- In addition to the general advice on applications, we provided specific and technical advice on funding alignment, on Place or on sharing learning between islands, amongst other elements. Support requests from the Local Authorities were able to be made at any stage.

Funding landscape

- The Scottish Government's funding landscape provides a wide range of broad and specific programmes which are open to Island communities and local authorities. These include the RCGF, Crown Estates Scotland Coastal Communities Fund, and Place Based Investment Fund. For some specific island areas these also include Rural Growth Deals and the Island Growth Deal.
- The projects supported by Islands Programme awards have attracted a wide range of other funders, principally from RCGF, HIE and the Crown Estates Coastal Communities Fund, as well as direct Local Authority investment and third sector funding. Several Islands Programmes applications indicated that they were requesting funding as a stepping-stone/enabler to release confirmed funding from other sources or to move to the next stage of development eligible for other funding. Applications have included projects which will look to utilise RCGF and HIE funding in the future and for larger relevant projects to the Islands Growth Deal, Levelling Up Fund and Rural and Islands Housing fund.

- The Islands Programme continues to fund parts of projects which other funds may not be able to support, for example of enabling infrastructure for housing which is not eligible for funding from More Homes.
- The Investment Panel includes members from HIE, SG Regeneration and the Islands Growth Deal which enables the exchange of information, challenges and opportunities.
- The Islands Team and SFT work with other SG Divisions to identify and minimise where possible, potential timetable or application deadline clashes. Ministers will appreciate that IP timescales are subject to external factors such as UKG budgets and changes and unanticipated changes within other SG programmes.

The Islands Programme - Competitive Approach

- The simplified and streamlined competitive approach, with local authorities as lead applicants, builds partnerships across communities, the public, private and third sector, whilst delivering on the National Islands Plan, national strategy, and policy across the islands.
- Whilst competitive bid programmes do require an application stage, it is notable that the quality and focus of applications to the Islands Programme have improved as officials become familiar with the process, which has also been streamlined. It is anticipated that as the Islands Programme remit and process becomes more familiar, the resource and time directly attributable to completing an application will reduce. Focus can then be directed on local authorities' appraisal of potential projects whatever the funding route, whether as a share of a direct allocation or for a competitive bid.
- The competitive bid route tends to identify more strategic and larger scale projects than ones funded by direct allocation funding where there seems to be a greater distribution of the funding. While this route can be seen as more resource intensive it does afford an evidenced-based decision-making approach for all.
- The bid process adds value by providing opportunities for feedback and the supported development of a pipeline of more robust projects which will enter delivery.

The Islands Programme Investment Panel

NB: As previously discussed at committee, the Investment Panel has been extended this year to include greater representation of island communities.

- An Investment Panel has been established to assess and make recommendations for annual awards. The panel receives strategic direction from the Scottish Government Islands Team and the IP Programme Board (also the Islands Strategic Group).
- Applications are reviewed and scored by the Investment Panel and recommendations made to the Cabinet Secretary for Rural Affairs and Islands.
- The Panel acts as an important part of the Islands Programme, effectively considering and scoring potential projects to consider their deliverability and the merits of impacts they will achieve.

- Finding the correct balance between ensuring the Panel includes those with lived experience of islands with no conflict of interest is not easy. Taking on board feedback from Committee and local authority partners, islands policy officials worked closely with SFT, local authority officials and the Senior Officers' Group to identify five new island-focussed members of the Investment Panel including representation from personnel in a senior non-conflicted Local Authority role from the Islands Growth Deal, the Young Islanders Network and experienced individuals living in Islands.

Background on Additional Members of the Islands Programme Investment Panel

- **Ritchie Johnson** is a new non-conflicted Local Authority member, is from Shetland. He has recently retired from his role as Director of Business Services at Aberdeenshire City Council in April 2023. Mr Johnson brings an essential local government perspective to the assessment process whilst minimising the risk of conflict.
- **Anne Murray** is Programme Director of the Islands Growth Deal and is based on the Isle of Lewis. The inclusion of Islands Growth Deal, SG Regeneration and HIE personnel on the panel cements the commitment to work across government and wider partner programmes to help unlock and maximise leverage of partnership, investment, and cross policy funding.
- [Redacted] from Orkney Mainland and [Redacted] from the isle of Lewis are proposed as members from the Young Islander Network (YIN). [Redacted] is the current Member of the Scottish Youth Parliament for Orkney and the chair of the Orkney Youth Forum. [Redacted] is the YIN representative at the National Islands Plan delivery group and the depute rep for the wider YIN Rural and Islands youth voice. [Redacted] is a graduate of the UHI, has a BSc in Sustainable Development and is the current Outer Hebrides Youth Local Action Group facilitator. The contributions from the YIN members bring an important new perspective to the Programme. The participation of these members also provides a unique opportunity for young islanders to gain experience of completing and assessing bids and the delivery of policy in practice.
- **Lorne MacLeod** has extensive island community experience. Whilst he is currently based in Oban, he has lived in the islands of Mull and Skye previously and maintains strong island connections. He is a Chartered Accountant and is currently a director of a retail and distribution business in Skye and a part time Commissioner on the board of the Scottish Land Commission. He was previously a director of the Isle of Gigha Heritage Trust for six years, and a director of Storas Uibhist, the community landowner covering the islands of Eriskay, South Uist and part of Benbecula, for six years. He was Chief Executive of Skye & Lochalsh Enterprise from 1992 to 1998. [Redacted] Although he is a Land commissioner, he sits in a personal capacity.

Islands Programme – Capital Projects

Challenges in the Islands:

NB: [Redacted]

- The local authority recipients of the 2021/22 Islands Infrastructure Fund and 2022/23 Islands Programme awards have reported on the progress of the projects funded by these awards.
- The factors impacting the original timescales for these projects included planning, availability of contractors, lead times for specific items, legal issues with site lease, weather, electricity connection, surveys, illness, procurement, ferry availability and further consultation with local communities regarding final site location.
- The 93 inhabited Scottish Islands each have their own difficulties and differences. The challenges of delivering capital projects in island locations include:
 - availability of skilled contractors (often a local workforce and supply chains are key for delivery)
 - short term nature of funding – a pipeline of projects would be more attractive to contractors
 - planning
 - lead time for specific items
 - legal issues with site lease
 - electricity connection
 - illness
 - ferry availability
 - physical location
 - size
 - geology
 - geography
 - weather
 - logistics and transport connections
 - reduced supply chains
 - land ownership
 - natural resources
 - settlement distribution
 - demographics
 - access to skills
 - housing availability
 - basic and enabling infrastructure

SG Assistance

- In relation to the Islands Programme, islands officials work continuously with their colleagues in SFT to help Island Local Authority officials to identify and mitigate difficulties where possible and to build project readiness of future projects. Further

work will be undertaken in the coming year to better understand these issues and to inform how we can provide assistance to island communities.

- Also, this year we have carried out research to map net zero related skills and sector readiness across the carbon neutral islands. This is with a view of working with partners to strengthen training and programme delivery in these fields. The research is currently in draft form and will be published in the autumn.
- There is evidence from this research that island businesses do not feel that policy and regulation effectively reflects the needs of the island and small businesses, often being overbearing and not relevant for their situation. Officials will develop this work further and we can provide more information to Committee in due course.

Upcoming Budget

- [Redacted]
- For reference, the 23/24 Islands Resource Funding this year is as follows:
 - Carbon Neutral Islands – Resource £2 million, Capital £1 million.
 - **Total £3 million**
 - The National Islands Plan – Resource £1.5 million, Capital £4 million.
 - **Total £5.5 million**

Budget 24/25

[Redacted]

Spending Review (RSR) info, containing high level Islands funding envelopes:

- Rural Affairs and Islands Portfolio Responsibilities Rural Affairs and Islands (RA&I) is a diverse portfolio which includes farming and food production, animal health and welfare, rural and island communities, food and drink, crofting, fisheries and aquaculture.
- The reach of the portfolio is broad and vital, supporting the Scottish Government's overarching ambition to tackle climate change and biodiversity loss. Our priorities in this parliament are to reform and transform key areas to help make Scotland greener and fairer.
- We will create a more prosperous country by safeguarding the natural environment and harnessing the power of all of our people and our natural assets. Sustainability is at the heart of all that we do.
- The Resource Spending Review will support: Investment in the transformation of agriculture and farming, to ensure we support and prepare a thriving sector that will fully contribute to our net zero and environmental ambitions.
- Our determination to deliver economic recovery and resilience in our rural, coastal and island communities, including rural businesses, the third sector, food and drink industries, alongside fisheries, farming and crofting.

- Delivery of a strategic approach to the management of our marine resource which supports ecosystem health, improved livelihoods, economic prosperity, social inclusion and wellbeing.
- In relation to islands, the following may be useful:

Level 4	2023/24 Budget Allocation £m	2024/25 CSR Allocation £m	2025/26 CSR Allocation £m
Islands Plan	4.00	0	3.00
Carbon Neutral Islands (CNI)	1.00	0	3.00

The Capital Published Budget is as follows:

Level 2	Level 3	2022-23 Budget £m	CSR Allocation			
			2023-24 £m	2024-25 £m	2025-26 £m	2026-27 £m
Agricultural Support and Related Services	Agricultural Support (including operational costs)	57.1	45.1	45.0	57.9	N/A
	Sub Total	57.1	45.1	45	57.9	N/A
Fisheries	Marine Fund Scotland	-	10.0	10.0	10.0	N/A
	Fisheries Harbour Grants	1.0	1.0	1.0	1.0	N/A
	EU Fisheries Grants / Fisheries (EU Legacy Match Funding)	9.6	9.6	-	-	N/A
	Marine EU Income	-6.2	-6.2	-	-	-
	Sub Total	4.4	14.4	11.0	11.0	N/A
Marine	Marine Scotland	9.1	8.0	8.0	8.0	N/A
	Sub Total	9.1	8.0	8.0	8.0	N/A

Islands	Islands	5.3	5.0	-	6.0	N/A
	Sub Total	5.3	5.0	-	6.0	N/A
	Total	75.9	72.5	64.0	82.9	N/A

Retention of Skills and Workforce in the Islands

[Redacted]

- Investing in skills across people's lifetimes is critical to our future productivity and success as the skills needs of employers and individuals change.
- This is underlined by our commitment to a skilled workforce set out within the National Strategy for Economic Transformation.
- We are continuing to effectively integrate sustainability and green skills into apprenticeships in Scotland to enable our transition to net zero.
- The Modern Apprenticeship Quarter 1 statistics show a 1.5% increase in Modern Apprenticeship starts in comparison to the same period last year.
- Our priority is to ensure that apprenticeships are of high quality and lead to sustainable employment opportunities that are characterised by Fair Work.

Construction Apprentice Completion Challenges

- The changes made to the construction SVQs in 2017 were intended to bring those SVQs into line with all other SVQs, The key change was that Apprentices have to demonstrate evidence of competence in a real working environment. This has proved to be challenging.
- From an Apprentice and Employer perspective, this requires the Training assessor to be onsite at a certain time, where the Apprentice cannot guarantee to be able to complete the specific workplace task at this agreed time. As a result, assessors have struggled with obtaining evidence for the SVQ. This was compounded by COVID restrictions and delays, which further restricted the opportunities to gather evidence in the workplace.

The main barriers to completion are:

- Challenges for candidates in gathering appropriate workplace evidence to complete apprenticeship portfolios (no requirement for workplace assessment before 2017).
- Not enough college capacity to deliver skills tests.

- Insufficient qualified assessors in colleges to deliver work-based assessment.
- CITB not undertaking full Employer assessment, where an Employer may not undertake the full range of tasks required to support the full Apprenticeship.

Addressing the Gaps

- Several suggestions were put forward by industry bodies and unions to fill the evidence gaps including use of alternative qualifications, simulation, and expansion of the skills test. These were discounted by SQA as the SVQ is a competence-based qualification, with evidence gathered from the workplace to demonstrate competence.
- In parallel, Scottish Government worked with CITB, SQA, SFC, SDS and industry to identify and address the reasons for delay. SQA analysed the nine individual Construction Trade MA impacted and found there were specific issues within each one. SQA then worked with CITB and SFC to address these and provided nine occupation-specific solutions, which did not compromise the qualification. These solutions were agreed and implemented.
- The CITB website confirms this: *All solutions applied on behalf of Scottish Government, SQA Accreditation, CITB Standard Setting Organisation and SQA Awarding Body, apply to all learners originally registered on the SVQs between August 2017 and July 2022, and will continue to apply until the completion of their apprenticeship.*

*9 SQA Specific agreed solutions

Craft Area	Solution Agreed
Painting & Decorating	New qualification structure solved simulation problem; retrospective simulation being considered
Bricklaying	There is a revised Unit and apprentices have been transferred to the new SVQ by CITB and SQA
Roof Slating & Tiling	SVQ amended and all apprentices will be bulk transferred to the new qualification
Carpentry & Joinery	Simulation agreed for 3 problematic Units of the SVQ
Floorcovering	Simulation agreed for one Unit of the SVQ
Plastering	Simulation is now in place for two Units of the SVQ

Wood Machining	New assessment materials and simulation is in place for two Units of the SVQ
Stonemasonry	Simulation permitted and Skills Test evidence can be used to fill the gap of one problematic Unit
Wall & Floor Tiling	Assessment strategy has been clarified

[Redacted]

Islands programme funding 24-25

- The resource element of the National Islands Plan budget continues to support numerous projects that further the overall delivery of the Plan.
- For example, the Islands Recovery and Renewal Pilot in collaboration with North Ayrshire Council and Highlands and Islands Enterprise, grants to the Scottish Islands Federation to promote, publicise and advance the interests of Scotland's inhabited islands; funding to Scottish Futures Trust to provide expertise, resource and capability to help lead the delivery aspects of the Islands Programme, support to our local authority partners for their culture and heritage officers, and a review and update of the Island Communities Impact Assessment Guidance and Toolkit.
- The following projects have received funding from the Islands Programme resource budget in the current financial year:

Projects	Delivery Partner	Value
YIN	Youth Scotland	£120,000.00
SIF Grant	Scottish Islands Federation	£70,000.00
North Ayrshire Islands Officer	North Ayrshire Council	£40,000.00
SFT	Scottish Futures Trust	£134,000.00
Island Heritage and Culture Project	Local Authorities	£210,000.00
Anchor Project	Shetland Islands Council	£36,000.00
Island Authorities MYP SYP Attendance	Local Authorities	£15,000.00
Island Skills and Repopulation Projects Review	TBC	£27,000.00

ADAP	TBC	£62,500.00
ADAP Community Settlement Officers	Highland Council	£22,500.00
ADAP Community Settlement Officers	Comhairle nan Eilean Siar	£22,500.00
ADAP Community Settlement Officers	Argyll & Bute Council	£22,500.00
Island Scholarship Scheme	UHI and Orkney Islands Council	£18,000.00
Cost Crisis	Argyll & Bute Council	£141,000.00
Cost Crisis	Highland Council	£105,000.00
Cost Crisis	Comhairle nan Eilean Siar	£257,000.00
Cost Crisis	North Ayrshire Council	£57,000.00
Cost Crisis	Orkney Islands Council	£218,000.00
Cost Crisis	Shetland Islands Council	£222,000.00
Rum Community Empowerment Project	Isle of Rum Community Trust	£15,000.00

Islands - Depopulation and Cost of Living

2022 Census – Demographic Trends in the Islands

First outputs from the 2022 Scottish Census were published on 14 September and include: Population by age and sex, and household numbers. Data will be available at Scotland and Local Authority level (rounded). The key points from the publication include:

- On Census Day, 20 March 2022, the population of Scotland was estimated to be 5,436,600. This is the largest population ever recorded by Scotland's Census.
- The population grew by 141,200 (2.7%) since the previous census in 2011. This is a slower rate of growth than between 2001 and 2011, when the population grew by 233,400 (4.6%).
- Since the 2011 census there were around 585,000 births and 634,800 deaths registered in Scotland. Without migration the population would have decreased by around 49,800. But the population has grown because more people moved to Scotland than moved out.
- Scotland's population is ageing. There are more people in the older age groups than ever recorded in Scotland's Census. There are now over a quarter of a million (258,700) more people aged 65 and over (1,091,000) than under 15 (832,300). In Scotland the 65 and older age group (65+) saw a large increase compared to 2011:
 - 0- to 14-year-old population decreased by 21,800 (down 2.5%)
 - 15- to 64-year-old population decreased by 37,700 (down 1.1%)
 - 65+ population increased by 200,700 (up 22.5%)
- The population increased in 17 council areas between 2011 and 2022. The population decreased in 10 council areas over the same period. There were 5 council areas that saw minimal change. The council area that saw the largest increase was Midlothian (up 16.1%) while Na h-Eileanan Siar saw the biggest decrease (down 5.5%).
- Most of the council areas in the Central Belt saw increases in their populations, particularly those around Edinburgh. These increases were driven by migration from within Scotland and from elsewhere. Most of the council areas that saw a decrease in population are in the west or southwest. These decreases were driven by a higher number of deaths than births between censuses.
- On census day there were 2,509,300 households with at least one usual resident. This is up 136,500 (5.8%) from the 2011 census. The increase in the number of households (5.8%) is higher than the increase in the population (2.7%). We know the population is ageing and older people are more likely to live alone or in smaller households. There is a related trend towards smaller households and more households overall.

- The next release in this phase will include unrounded population estimates by age and sex for small areas. That release is planned for spring 2024.

[Redacted]

- Some headlines on the new census data would be:
 - Whilst the overall population of Scotland's Islands has grown by 3.8%, population growth across the Scottish Islands is slower than that of Mainland Scotland which has grown by 8.3%. The biggest changes were in Orkney Mainland, which has grown by 19.7% in 2011-21; and Shetland outer islands which fell by 9.3%.
 - Overall, the population aged 25-44 has fallen in the islands, and there are fewer children, whereas it has risen in both 64–75-year-olds and 76+ year olds.
 - There are projected to be 9-26% fewer children in island Sparsely Populated Areas by 2043. Additionally, there is projected to be a 15-35% Projected loss of working age population in island SPAs by 2043.
- Whilst the overall population of Scotland's islands has grown over the last 20 years, there is considerable variation between island regions and some islands have a declining population. Scottish islands population growth is slower than in mainland Scotland.
- Population growth has been strongest in Orkney Mainland and Connected Islands and the Highland Islands which have seen a population growth of 20%. and 13% respectively. However, population in Arran, Bute and the Cumbraes and the Shetland Outer Isles has declined by 13% and 9.3% respectively.
- Large population losses are predicted in Island Sparsely Populated Areas (SPAs). Significant challenges are posed by population loss in sparsely populated areas. SPAs are rural areas and small towns where less than 10,000 people can be reached within 30 minutes of travel by road or ferry. Population sparsity presents direct difficulties for the viability of communities, businesses and services due to low access to people.
- Furthermore, percentage loss of working age population in the islands is anticipated to be disproportionately higher than the total percentage loss of population. For instance, while Comhairle nan Eilean Siar SPAs are projected to lose 24% of their population, a 33% decline in working age population is expected. As such, Island SPAs are projected to have higher dependency ratios than the rest of Scotland.
- While there isn't Scottish Islands Regions figures yet, the Census shows in 2022, the population of Scotland was estimated to be 5,436,600. It also shows which council areas are increasing and decreasing, Na h-Eileanan Siar saw the biggest decrease (down 5.5%). In Shetland Islands the decrease (1.2%) was driven by migration. Orkney Islands have grown by 3%.

Projected percentage change

- The projected percentage change in population by age grouping shows that Scotland's population will age in every area to 2043. The highest % reduction in

children and the working age population is in islands and remote rural areas (-23% and -15%).

- The projected percentage change in population is most extreme in island and remote rural areas, where an approximate drop of 19,000 people represents a 12% change between 2018 and 2043. In contrast, the population of large cities is projected to increase by 7%, or 109,000 people.
- The highest % increase in pensionable age population is in urban with substantial rural areas followed by mainly rural areas.
- In this 20-year period the population has grown in all areas however at different and fluctuating rates. It has grown fastest in accessible rural areas in Scotland.

Addressing Depopulation Action Plan and Upcoming Budget

Addressing Depopulation Action Plan

- Scottish Ministers announced an intention to develop an Action Plan focused on Depopulation in March 2022. Since then, we have announced our intention to publish before the end of this calendar year. That remains the timeline we are aiming for.
- The Action Plan will aim to cover:
 - Definition of depopulation in the Scottish context, and Scottish Ministers' strategic objective in addressing it
 - National level policy – ongoing work aligned to this objective, and new commitments.
 - Local level implementation – supporting rural attraction and community settlement within affected areas, with a view towards delivering longer term sustainable communities.
- Since that announcement, we have sought approval on the development of the ADAP via the Population Programme Board, which includes a wide range of Director-level SG representation, COSLA, and the enterprise agencies, and through the Ministerial Population Taskforce thereafter. The Action Plan's drafting is ongoing at present, with a wide range of engagement accompanying this, set out below.
- To date, we have undertaken a varied range of external engagement on this topic:
 - Through the structures of CoHI and COSS, including CoHI's population working group.
 - Through the joint Population Roundtable chaired by SG and COSLA, and with representation from most local authorities, including many of those most affected by depopulation.
 - Through a half day workshop held in Inverness in October 2022, comprising a wide range of research and third sector stakeholders.
 - Through discrete engagement between policy teams in SG, mostly those delivering in the Islands space, and external organisations with an interest in the depopulation policy agenda.

- Through an external working group comprising Bòrd na Gàidhlig, Highlands and Islands Enterprise, COSLA, James Hutton Institute and others.
- We are also engaging internally across portfolios, such as Housing, Community Wealth, Digital and Transport Connectivity, Citizens' Rights, Crofting, Gaelic, and many more. As with the external working group, scoping and reflecting within the Action Plan both current and future work that supports the wider strategic objective to address depopulation.

[Redacted]

Targeted funding and depopulation differentials among islands

- Mid-year population estimates, and interactive charts are available, showing population change by age and sex, for the Scottish Island Regions from National Records of Scotland. This shows that over the last twenty years there has been a population loss of the age 25-44 age group in Orkney, but a growth in the age 16-24 age group. This can be looked at over varying timescales.
- Targeted funding for islands allows for the prioritisation of key strategic projects and ensures that communities can shape their infrastructure needs. This ultimately means we can deliver outcomes which will support island communities to become more resilient and sustainable.

Cost of Living and Fuel Poverty in Islands

- Whilst island communities can access a wide range of existing funding from the Scottish Government, the continuation of the Island Cost Crisis Emergency Fund represents an additional £1 million investment in 2023-24 which has been developed to specifically recognise and tackle the challenges faced by island communities. This funding builds on the 2022/23 £1.4 million Island Cost Crisis Emergency Fund.
- Rural and island communities already face the highest levels of fuel poverty. The cost of living in rural and island communities is higher than ever as a result of the current cost crisis.
- The Scottish Government has provided an additional £1 million in the current financial year to be delivered through the Islands Cost Crisis Emergency Fund to support islanders facing high fuel, food and energy costs in order to help meet cost of living pressures.
- This funding builds on the very successful 2022/23 £1.4 million Island Cost Crisis Emergency Fund, which was developed specifically to recognise and tackle the challenges faced by island communities.
- The new funding will help mitigate against some of the unique challenges faced by people living on Scotland's islands. This includes a colder climate, higher fuel and energy costs and reduced consumer choice. The fund criteria have also been extended to potentially include struggling local businesses.
- The additional funding has been distributed by the six island local authorities, with support targeted where they feel it will be most effective and towards people, communities and businesses who are struggling the most.
- Previous initiatives funded by the Islands Cost Crisis Emergency Fund include food bank grants, Love Local food voucher cards and free school breakfasts.

- This £1 million of funding is intended to help local authorities support islanders most impacted by the cost crisis. Local authority decisions on where funding will be directed should be based on their local knowledge and understanding of the impacts of the cost crisis on their islands. The fund should be used to target island areas only, by providing immediate help to those who are struggling most, either through existing schemes and/or other new support where need is greatest.
- The fund will continue to be managed by the Scottish Futures Trust on our behalf as part of the overall Islands Programme. Local authorities are asked to submit a short report by 31 March 2024, setting out:
 - How the funding was used to tackle the challenges faced by our island communities due to the current cost crisis;
 - The impact the funding has had within the communities;
 - Any challenges they encountered whilst delivering the funding.
- Funds have been distributed on a 100% population basis, as recommended by the joint Scottish Government/COSLA Settlement Distribution Group and approved by COSLA political Leaders.
- This funding will be paid as a redetermination of the General Revenue Grant during the last 2 weeks in March 2024. This funding has been allocated to spend in the 2023-24 financial year. A breakdown of the funding per local authority can be found below:

Local Authority	Resource (£000)
Argyll & Bute	141
Highland	105
Na h-Eileanan Siar	257
North Ayrshire	57
Orkney	218
Shetland	222

- Last year, the Islands Cost Crisis Emergency Fund represented a £1.4 million investment (£1.1 million resource and £300k capital) announced in December 2022. This was developed specifically to tackle the challenges faced by island communities.
- In order to respond to the specific needs of islands communities and acting in the spirit of the Islands (Scotland) Act 2018, the Island Cost Crisis Emergency Fund aimed to complement action carried out by local authorities within their respective geographical areas.
- In developing the Fund, we engaged widely with our island stakeholders, from civil society organisations to local authorities themselves and our own colleagues in government.
- In 2022/23 allocations for each local authority were:

Local Authority	Resource (£'000)	Capital (£'000)	TOTAL (£'000)
Argyll & Bute	155	42	197
Highland	115	32	147
Na h-Eileanan Siar	283	77	360
North Ayrshire	63	17	80
Orkney	240	65	305
Shetland	244	67	311
TOTAL	1,100	300	1,400

- Local authority decisions on where funding was to be directed were based on their local knowledge and understanding of the impacts of the cost crisis in their area. Local authorities had discretion to identify and support those most vulnerable and in need.
- A brief assessment of the impact of the funded activities/schemes and the extent to which the activity is meeting or partially meeting identified need has been reported as well as any challenges so far in delivering these activities or reaching the intended groups.

Overview of Local Authority Use of the Islands Emergency Fund

- Cost crisis support measures which are being delivered by the local authorities through this funding include additional direct payments to low income households; provision of food or fuel vouchers; direct support of vital third sector organisations; additional food provision for school children; additional support for out of school study and activities under cost pressures; support of warm spaces for people to meet; investment in equipment to provide additional resilience and cost savings; and grants to third sector organisations working with those in need. In all cases the Local Authorities have built on existing frameworks and worked with schools, community, voluntary or charitable groups to deliver the support for island communities, young people and households.

Islands - Additional Advice as Requested on PPTs, Settlement Officers and Crofting

Practical Policy Tests

- The feedback gathered through our engagement on the Islands Bond since October 2021, (including meeting over 100 island residents across 12 island communities in spring 2022), has been used to shape a range of tests to help inform policy in an islands context.
- Supporting the development of the ADAP, we commissioned a number of “Practical Policy Tests” in 2022/23. These “Tests” were a series of projects addressing for example on-island infrastructure challenges, culture, heritage, skills and childcare provision. These projects are informed by the feedback from the Islands Bond engagement and through our ongoing engagement with rural and island stakeholders.

Crofting Practical Policy Test

- Crofting exists in some of Scotland’s most fragile areas. With over 750,000 hectares of land in crofting tenure in Scotland, almost 22,000 crofts and approximately 33,000 people living in crofting households, crofting plays a vital role in maintaining the population in our rural and island areas, including the retention of young people and families.
- During the 2021 Islands Bond consultation, access to crofts was highlighted as an issue directly affecting population retention in the crofting counties.
- With this in mind, the Crofting Commission will undertake a project which aims to encourage crofters to consider the succession of their croft, particularly living succession.
- The project aims to evidence the barriers to the transfer of crofts during a crofter’s lifetime whilst exploring how to encourage the transfer of them.

Settlement Officers

- The first initiative to develop from the working group was the Settlement Officer project. This saw Settlement Officers recruited into three council areas (Argyll & Bute, The Highland Council and the Comhairle Nan Eilean Siar).
- During the 22/23 financial year, these posts were jointly funded by Highlands and Islands Enterprise and the 3 local authorities in which the positions were located.
- The purpose of these three posts is to:
 - Provide guidance to people wanting to stay in or move to the island community;
 - Work with partner agencies across their respective areas to gather data and information on the issues impacting on people’s decisions to remain in/move to the island;
 - Support the development of further projects and initiatives to help address population decline.
- This continuing project has been a real success with distinct outcomes in each region, reflecting the true nature of place based development.

- The Uist based officer, for example, has fielded over 200 relocation queries, helping 25 families to relocate. In so doing, the officer has learnt about specific challenges to retaining and attracting people to the region, allowing her to support other projects as part of the overall Uist Repopulation Plan.
- The different work streams carried out by the settlement officers in each region has demonstrated true place based development, where a locally based officer is able to respond to the needs of the community.

Repopulation Zones

- Scottish Government commissioned its Expert Advisory Group on Population and Migration to lead a review of existing zonal methodologies to inform the development of the proposed Repopulation Zone concept.
- The final report was published on 21 December 2022 and [can be accessed online](#).
- The report calls for strong local leadership in delivering nuanced and spatially relevant place-based interventions to support the attraction and retention of people into communities.
- This may be through the application of zonal methodologies, but the report warns against potential unintended consequences, for example negative effects in areas adjacent to zones.
- This position, that repopulation zones may work for communities but should be carefully constructed in order to minimise potential negative knock-on effects, will form one component of the Addressing Depopulation Action Plan's underlying strategic policy positioning.

Further Population Data (more to follow from NRS colleagues)

Argyll and Bute

- Population of Argyll and Bute: **86,000** in the 2022 Census (1.6 per cent of the population of Scotland).
- The population of Argyll and Bute has fallen by **5.5** per cent between 2002 and 2022 (**5,000** people). The population decline is largely due to natural change (births minus deaths). The birth rate has fallen from **755** births per year in 2002 to **579** in 2022, a decline of **8.4** per cent. This is accompanied by a broadly stable number of deaths, with **1,188** in 2002 and **1,171** in 2022.
- Net migration (inward migration minus outward migration) over the past two decades has remained close to zero, however 2020-2021 saw a considerable increase, to **1,220**, compared to a net migration of **-90** in 2019-2020. This is thought to be due to people moving out of cities to rural areas during the pandemic.
- The population of Argyll and Bute is projected to continue to decline. Latest projections expect the population to fall to **79,580** by 2031, a decline of **7.7** per cent from 2021 estimates. This is compared to a projected **1.4** per cent increase for Scotland as a whole over the same period.

- Argyll and Bute has an older age structure than Scotland as a whole. In the 2022 Census, **27** per cent of Argyll and Bute were aged 65+, which is the largest proportion of any council area in Scotland. The equivalent figures for Scotland as a whole is **17** per cent. **59** per cent of Argyll and Bute's population are aged 15-64, compared to **65** per cent of Scotland's population.

National Islands Plan General Update

- The Islands Act requires a review of the Plan within 5 years of initial publication. This review is now underway and provides the Scottish Government and their partners with an opportunity to reflect on changes in circumstance for island communities since the Plan was introduced in December 2019.
- However, the Act also requires that a report is presented to Parliament each year setting out the progress made towards delivery of the National Islands Plan. This series of reports details the work we've done since the introduction of the National Islands Plan.
- The Islands Team work closely with the Scottish Futures Trust and local authorities to deliver the Islands Programme which supports delivery of the National Islands Plan. This includes infrastructure projects across the islands which they contribute to all of the National Islands Plan strategic objectives, with a strong emphasis on sustainable economic development and community empowerment.
- The projects funded through the Islands Programme also directly support population retention and growth, deliver new facilities and services to help to alleviate child poverty, provide innovative circular economy solutions and address climate change impacts. They are also supporting new facilities, iconic heritage projects, and key local services.
- At the same time, we are working on several Programme for Government commitments whose objectives align closely with National Islands Plan strategic objectives. One of these is the Carbon Neutral Islands project and the development of the Rural Development Plan.
- Additionally, the implementation of the National Islands Plan continues to be supported by both the Islands Strategic Group (ISG), the Senior Officers Group which supports the ISG and the National Islands Plan Delivery Group. The Islands Strategic Group allows for greater involvement of the relevant local authorities in helping design solutions to the challenges islanders face, whilst the Delivery Group ensures that work continues to be driven forward in a collaborative way that involves island communities.

Islands Programme Contingency Funding

- Last financial year, £186k was kept aside as contingency funding for the Islands Programme projects. Orkney Islands Council requested and got this against overruns on their Kirkwall Nursery build.

- Unfortunately, there was no capacity in the capital budget for a contingency this financial year.

Islands Q&A

Budget and National Islands Plan Progress related Q&A

[Redacted]

[Redacted] .

[Redacted]

[Redacted]

Islands Depopulation Related Q&A

[Redacted]

Agriculture

Division of Budgets between different schemes

RAI Capital and Resource Budgets 2023-2024, including P1 and P2 schemes (published)

RAI 2023-24 Budget Breakdown	2023-24 Resource	2023-24 Capital	2023-24 Non- Cash	2023-24 Total
	£'m	£'m	£'m	£'m
1. Agricultural Support and Related Services	727.078	40.1	5.00	772.2
Pillar 1 - Basic Payments	282.0	-	-	282.0
Pillar 1 - Greening Payments	142.0	-	-	142.0
Other Pillar 1 Payments	61.0	-	-	61.0
Convergence/ Bew Funding	-	-	-	-
Agricultural Reform Programme	28.2	10.8	-	39.0
Agricultural Transformation	-	5.0	-	5.0
Agri-Environmental Measures	26.5	9.3	-	35.8
Business Development	9.7	3.4	-	13.1
Crofting Assistance	- 0.2	2.1	-	1.9
EU Income	-	-	-	-
Forestry	0.1	-	-	0.1
Less Favoured Area Support Scheme	65.5	-	-	65.5
SASA	0.7	-	-	0.7
ARE Operations	110.6	9.5	5.00	125.1
Technical Assistance	1.0	-	-	1.0
2. Rural Services	58.4	-	0.1	58.4
Agricultural Horticultural Advice & Support	2.2	-	-	2.2
Animal Health	25.6	-	-	25.6
Crofting Commission	4.2	-	0.07	4.2
Food Industry Support	8.4	-	-	8.4
Leader (CLLD)	11.6	-	-	11.6
Rural Economy and Communities	1.5	-	-	1.5
Veterinary Surveillance	4.9	-	-	4.9
3. Fisheries and Aquaculture	5.0	12.1	-	17.1
EU Fisheries Grants	2.0	3.2	-	5.2
Marine Fund Scotland	4.5	10.0	-	14.5
Fisheries Harbour Grants	-	1.0	-	1.0
Marine EU Income	- 1.5	- 2.1	-	- 3.6
4. Marine	94.9	8.0	5.7	108.7
Marine Scotland	94.9	8.0	5.7	108.7
5. Islands	3.5	5	0	8.5
Carbon Neutral Islands	2.0	1.0	-	3.0
Islands Plan	1.5	4.0	-	5.5
Islands Bond	-	-	-	-
6. Total Rural Affairs and Islands	888.9	65.2	10.8	964.9

[Redacted]

The overall budget for Rural Affairs and Islands totals £964m

- **£650m will be provided in ongoing support** to maintain stability across the rural economy in agriculture, fishing and seafood.
- The RAI budget supports critical green and blue journeys towards transformation through equality of opportunity and Just Transition to meet the 2045 emissions reductions targets, it also supports action to reverse biodiversity loss, restore nature and protect our future.
- The overall budget strengthens the resilience of rural, coastal and island communities, businesses and industries as well as the wider rural population, by reducing poverty and aiding recovery through investment.
- We continue to support the food and drink sector to recover and flourish, exploring new opportunities to help reshape Scotland's economy, driving health, well-being and sustainability.

Agricultural Support and related services

Over £620m is provided in ongoing agricultural support ensuring stability to farmers, crofters and land managers as they transform.

- **£44m is earmarked to continue the transformation of how farming and food production is supported** in Scotland to become a global leader in sustainable and regenerative agriculture, helping to achieve the statutory emissions target with £20m provided for year two of National Test Programme (NTP).
- There is continued funding at 2018 levels to those farming and crofting in our most remote and fragile areas through **£65m for the Less Favoured Areas scheme**
- We have committed to delivering a new round of **agri-environment investment as part of an overall £36m budget.**

Marine/Fisheries & Aquaculture

The £14m increase in Marine Scotland's budget is representative of the Scottish Government's commitment to net zero and biodiversity through the expansion of offshore renewables, climate-related research and environmental protection.

- We are committing funding to the **planning and consenting of Offshore Renewable Energy in support of the ScotWind leasing round.**
- Increased funding has been committed to marine conservation activities that have a positive impact on climate change and biodiversity loss.
- [Redacted]
- In addition, we will also maintain funding of **£14.5m for Marine Fund Scotland** which will deliver on the Blue Economy Vision supporting projects focused on achieving an innovative and economically sustainable marine economy; delivering real benefits for Scotland's coastal communities; and reducing carbon emissions and protecting the marine environment.

Rural Services

Funding for rural services supports projects that address mental health issues, community sustainability and other key factors affecting poverty.

- Food Industry Support will provide vital support to Scotland's food and drink sector in its recovery from the pandemic and EU exit whilst embedding a Just Transition to net zero.
- By implementing the Good Food Nation Act and setting up a food commission we will deliver on our commitment to ensure everyone in Scotland has access to healthy, nutritious fare and that businesses and public kitchens commit to producing, selling and serving good food.
- We continue to invest £11.6m **in community-led local development** using a grassroots, partnership approach to identify local needs and put forward innovative, local solutions to aid rural development across Scotland.
- We will invest **over £30m in maintaining a robust animal health** approach to ensure effective management of diseases

Islands

- The Islands Programme budget is part of a PfG commitment over the lifetime of the Parliament and supports all six island local authorities to fund the improvement, creation or safeguarding of locally developed infrastructure projects that align with the Strategic Objectives of the National Islands Plan. The Programme aims to encourage population growth and stem population decline; deliver on our net-zero ambitions in a way that no-one is left behind; and support a green economic recovery from the ongoing impacts of the pandemic and current cost crisis.
- **£5.5m has been provided for the National Islands Plan.** The Plan is required by the Islands (Scotland) Act 2018 - helps shape government policy in a way that will improve outcomes for island communities.
- **£3m** is also provided to support **Carbon Neutral Islands** - a 2021-22 programme for government commitment aiming to support six islands progress towards becoming fully carbon neutral by 2040.

The 2022/23 Programme for Government (PfG) commitment - to invest in advice and skills for farmers and crofters to support a just transition and act on the recommendations provided by the independent Commission on land-based learning.

Farm Advisory Service (FAS):

- The FAS facilitates access to, largely free, high quality generic and bespoke advice to the agricultural sector.
- The 2023/24 FAS budget is £5M and the current contracts are scheduled to end March 2024.
- The service is a key lever in delivering sectoral and government priorities.
- In 2022/23 FAS attracted nearly 5,000 participants to their events, over 400K views on their videos, over 1,000 advice line enquiries, and over 1.5M website views, 98% of attendees rated the service as excellent or very satisfactory, to name but a handful of the FAS's outputs.
- Also, in 2022/23, the FAS delivered just under 700 packages of bespoke consultancy advice to businesses. This includes: Integrated Land Management Plans, Carbon Audits, Specialist Advice Plans and Mentoring Advice. Ongoing monitoring notes this quality of this advice is exceptionally high and well received by the sector.
- Scotland's Farm Advisory Service has evolved into a concept well placed to adapt, keep pace with such challenges and provide, for example:
 - A range of low and no cost ideas to help farmers identify, support and improve biodiversity on their land;
 - Awareness of woodland planting and the benefits for businesses, carbon sequestration and habitat;
 - Ideas to help farmers manage carbon on their farm and adapt to a changing climate, making their business more resilient to future changes;
 - Business management advice such as benchmarking, using data and resource efficient farming as well as responding to specific business challenges and developments including international trading relationships, markets, increasing environmental concerns and public demands, coupled with a revision to subsidy support.
- The FAS delivers its advice through a range of means including: publications, videos, webinars, events, peer to peer support groups, podcasts, a dedicated FAS app, FAS TV, advice line support, crofter subscription service, and bespoke one to one consultancy/specialist advice.
- But we are not complacent and will build on its strengths and ensure it continues to deliver high quality support that is relevant to the sector now, in the future and is a flexible reactive function to prevalent issues.

[Redacted]

Knowledge Transfer & Innovation Fund (KTIF):

- Knowledge transfer and innovation are a critical component in supporting skill gaps in the sector and delivering innovation through on-the-ground improvements in agricultural competitiveness, resource efficiency, environmental performance and sustainability.
- It is clear that we all need to work together to reach our Net Zero, Just Transition and mitigate against the impacts of the current cost of living crisis. That's why investing and supporting knowledge transfer and innovation within our agricultural sector has never been more important.
- Our rural businesses are full of people with the skills, expertise and potential to drive the rural economy forward. All they need is the right support, delivered at the right time. KTIF continues to diversify their skill-set and ensure innovative technology is at the forefront of our farming and food production industry.
- KTIF funds the prominent QMS/AHDB Monitor Farm Programme (2022-26).
- Since 2015, the Scottish Government has supported over 50 projects, under the Knowledge Transfer and Innovation Fund to a tune of approximately £7.5 million.
- In Oct 2022, the Cabinet Secretary announced seven new projects received more than £370K of funding. These projects have a specific focus on resource efficiency, cutting emissions, and enhance viability.
- In May 2023 Cabinet Secretary approved four knowledge transfer focussed projects at a value of approximately £245K and was announced by the DFM at a Scottish Organic Dairy Cooperative this summer.
- Applications for further KTIF projects are anticipated for 2024/25, however this is subject to available budget.

[Redacted]

Education and Skills Reform

- The Programme for Government sets out our plans for implementing reform of our education and skills bodies and putting the voices of children, young people and adult learners at their core.
- We have been clear that we want to take forward reform of our lifelong education and skills system and won't shy away from decisions which will deliver better services for individuals and employers.

Rural Skill: Top lines

- Developing a more skilled workforce in rural areas directly contributes to the First Minister's mission: "Opportunity: A fair, green, growing economy", and specifically the commitment to promote our rural and coastal economy and communities by contributing to green skills development and creating employment opportunities in our land-based, aquaculture and environmental conservation sectors.

- Skills development is at the heart of our National Strategy for Economic Transformation and the vision for the transition to a fairer, greener wellbeing economy. A highly skilled workforce is critical to this ambition.

Skills, Knowledge, CPD and Agricultural Knowledge and Innovation System (AKIS)

New skills, knowledge, training and CPD (continuing professional development) are key components of the Tier 4 Complementary support in the Vision of Agriculture Support package beyond 2025. The Agriculture and Rural Communities (Scotland) Bill will include enabling powers for Ministers to deliver CPD and an AKIS (Agricultural Knowledge and Innovation System).

Top lines

- Knowledge, innovation, education and training are critical components in addressing skills gaps in the agricultural sector and delivering innovation through on-the-ground improvements in agricultural competitiveness, resource efficiency, environmental performance and sustainability.
- Training, skills development, advice and knowledge exchange are key features of our Vision for Agriculture and associated [Agricultural Reform Route Map](#).
- Plans for enhancement and development in these areas will be taken forward under Tier 4 of the new rural support framework, with new service provision being introduced from 2027.

Agriculture and Rural Communities (Scotland) Bill and knowledge, innovation, education and training support

- The Bill contains powers that allow the Scottish Ministers to deliver support for the establishment, development, delivery and undertaking of knowledge, innovation, education and training support.
- This includes the co-creation, development and sharing of an integrated knowledge and innovation system (AKIS – Agricultural Knowledge and Innovation System). The AKIS will better connect the ecosystem of agriculture knowledge creation and use in Scotland, and play an important role in helping to meet our ambitions for Scottish agriculture in the Vision for Agriculture.
- The Bill also includes powers in respect of Continuing Professional Development (CPD) for farmers, crofters and land-managers.

AKIS – Agricultural Knowledge and Innovation System

- At the Royal Highland Show on 22 June the Cabinet Secretary announced the publication of a research report undertaken by the James Hutton Institute through ClimateXChange, on options to deliver this new AKIS: Establishing an Agricultural Knowledge and Innovation System.
- We are currently considering the options set out in the report.
- Until early 2024 we will seek to gather views to help determine what works for farmers and crofters and what the AKIS will look like.
- [Redacted]

Continuing professional development (CPD) in Agriculture Bill

- The Agriculture and Rural Communities (Scotland) Bill includes powers for Scottish Ministers to Make provision for the CPD of farmers, crofters and land managers.
- We recognise that CPD is important and will ensure that farmers, crofters and land managers are equipped with the right knowledge and skills to assist with

meeting our ambitions for Scottish agriculture in the Vision for Agriculture, including meeting the challenges in cutting emissions, mitigating climate change and restoring and enhancing nature.

- We will continue to work with stakeholders on the development of a CPD system.

[Redacted]

Emergency Budget Review – £33m Bew

In November last year – 2022 - The Scottish Government undertook an emergency budget review to assess any and all opportunities to:

- redirect additional resources to those most in need;
- reduce the burdens on business; and
- stimulate the Scottish economy

The Scottish Government has allocated almost £3 billion to help mitigate the cost of living crisis, including a range of support for energy bills

Q&A

Q. When will the £33m ring-fenced funding deferred (from 2022-23 Emergency Budget Review) be returned to the portfolio

- The Scottish Government remains committed to spending this funding in full on the right agricultural priorities and will return this funding to the Rural Affairs, Land Reform and Islands portfolio at the appropriate time.
- Deferring this spend had no impact on existing commitments or schemes.
- The previous Deputy First Minister was clear in his statement that the £33 million deferred from the agricultural budget in the last financial year would come back to the portfolio in future years and this will be discussed further, as part of the 2024-25 Budget process.
- On 15 June the Deputy First Minister met with the President of the NFUS and reiterated this.
- Future budgets are set through the annual parliamentary Budget Bill process and the appropriate profile for returning this funding will be considered as part of that.

How could the funding be taken if it was ‘ring fenced’?

- The cost of living crisis created an unprecedented challenge. The Scottish Government had to explore all financial options to support the emergency response and help people and businesses through the crisis.
- The fact is that the Scottish Government saw an overall reduction of £1.7 billion at a time when demand for spend is at a high, meant we have had to make difficult decisions.
- As I’ve mentioned previously deferring this spend had no impact on existing commitments or schemes.
- As UKG had not engaged meaningfully in advance, the bew / convergence funding arrived contrary to our expectations. We prudently did not factor the funds into our spending plans. And therefore the funding was uncommitted. SG had to make a difficult decision to reprofile the funding to support our investment plans during the cost of living crisis.

Marine Funding (Fisheries and Aquaculture)

Funding implications of the science and innovation strategy

Q. What are the funding implications of the Programme for Government commitment to deliver a Science and Innovation Strategy for Scotland's Marine and Freshwater Environments?

A. There are no funding implications here as there is no increase in funding requested in order to deliver the new strategy, rather we are using the existing funding SG currently attributes to this area year on year through the Marine Directorate. The difference is what we are allocating it to, which are the six strategic outcomes outlined in the new strategy.

Some of those outcomes are building upon existing work, such as where we are required in law to monitor our seas and rivers. We are being explicit and intentional in our resource allocation and delivery, for example where a new policy has arisen – Blue Carbon – it is about how we collaborate with experts in that field to ensure we create value for Scotland by being a part of that work.

[Redacted]

Q. How will the new science and innovation strategy help Scotland become an international leader in these areas?

A. The new science and innovation strategy builds on Scotland's important maritime heritage while recognising Scotland's place in the international community as an innovative Island Nation. Our aspirations in the Blue Economy and the National Marine Plan as reflected in the Policy Prospectus and Mandate Letters are the building blocks for the new science and innovation strategy and they will contribute to building a fair green economy through the evidence and data harnessed and created in this new strategy.

The new strategy will also play a role in tackling poverty through renewable energy provision and the creation of jobs that do not exist at present by working alongside partners in technology and AI that we will need to respond to net zero and climate change.

Our long-term ambition demonstrates the value we place on our marine environment and natural capital and its significance to the health of our planet. Scotland's shared stewardship of our marine environment supports ecosystem health, improved livelihoods, economic prosperity, social inclusion and wellbeing.

The evidence and data that this new strategy will generate will make significant contribution to policy creation in a range of areas from sustainable aquaculture – a vital industry for Scotland – to renewable energy to fisheries management.

Post Brexit marine funding shortfall

Q: Is there a shortfall of marine funding post-Brexit?

A. The £14m per annum funding awarded to 2025 is vastly insufficient given the size and importance of the Scottish marine sectors. This is particularly challenging given past underfunding and the significant impacts of Brexit on the sectors.

With the current European Maritime, Fisheries and Aquaculture Fund (EMFAF) increasing the level of funding provided to EU member States, a quick comparison with, for example Denmark, shows it will receive approximately £24.5 million per annum funding.

Over the 7 years funding certainty of the EMFAF, which will allow long term planning and delivery, Denmark, despite having a smaller marine sector than Scotland, will benefit by up to an additional £73.5m funding, when compared to the £14m per annum Scottish funding.

This acute underfunding is further exacerbated by the £100m the UK Government has awarded itself to deliver the UK Seafood Fund, which is causing confusion, duplication and inefficient use of public money.

We will continue to use the limited funding we do have to deliver maximum effect through the Marine Fund Scotland while continuing to make representations to UK Government to receive the necessary funding to support Scotland's Marine sectors.

[Redacted]